Pradesh as the Income-tax Act, 1961 and the Central Excises & Salt Act, 1944 extend to the whole of India.

Excise duty is leviable on all excisable goods other than salt which are produced or manufactured in India. Income-tax is chargeable on income as defined under Section-2 (24) read with Section-4 of Income tax Act, 1961.

For details, the copies of the said Acts may be referred to, which may be available in the library of the Parliament.

Equipment Prices

3429. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Indian producers have paid highest prices for imported equipment in the world;

(b) whether it is a fact that cross-country comparisons for 1980 indicate that the price of equipment in India as the fourth highest among 100 developing countries;

(c) whether it is a fact that a part of India's high savings rate has, in the past, financed unnecessary expensive capital goods;

(d) whether Government are considering the availability of capital goods to the industry at internationally competitive prices without any quantitative restrictions for achieving growth performance; and

(e) if so, what are the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The prices of imported equipment paid by Indian producers in the past have been relatively more than paid by their counterparts in some other countries mainly on account of high import tariffs to protect the domestic industry.

(b) Domestic cost of production of equipments is relatively higher than some of the developing countries which are industrialising fast due to relative cost disadvantage on account of higher duties particularly import duties, obsolete technology, idle capacity, high cost of basic metals and chemicals, fuels and energy, high interest rates and regulatory industrial environment. All Indian equipments are, however, not more expensive. In some items of machine tools and equipments which are exported Indian equipments have a comparative advantage over other developing countries.

(c) There is no evidence to suggest that a part of the high savings rate has been used to finance unnecessary expensive capital goods.

(d) and (e) The economic reform measures in the spheres of trade and industry introduced by the Government since 1991 are aimed at making the Indian industry more competive both domestically and internationally. These measures would encourage efficiency, allow Indian producers to have access to imports at reasonable rates of duty and progressively integrate the Indian economy with the world economy. In pursuance of these objectives, the Budget proposals for 1993-94 seek drastic reduction in import tariffs in general and priority sectors in particular.

Payment of Claims by United India Insurance Company

3430. SHRI ANANT RAM JAISWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that Hyderabad Division of United India Insurance Company Limited paid an amount of Rupees two crores on a claim by a spinning mill which did not have a valid insurance cover;

(b) if so, what action has been taken against the officers responsible for this lapse and whether steps have been taken to recover the amount so paid;

(c) what is the number of cases where the United India Insurance Company Limited, had approved and paid the claim without strictly following Section 64VB of Insurance Act, 1938; and

(d) what is the yearwise total amount paid by the United India Insurance Company Limited during the last five financial years against the claim which did not have valid insurance cover under Section 64VB of Insurance Act 1938 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) Suitable penalty has been imposed on the officials responsible for the underwriting lapse. Necessary guidelines have also since been issued to strictly follow Section 64 VB.

(c) and (d) After the issue of the guidelines, no violation of Section 64 VB has been brought to the notice of the Government.

Diversion of Edible Oil

3431. SHRI KAMAL MORARKA : Will the Minister of FINANCE be pleased to state :

(a) whether edible oil under USAID is being diverted to STC instead of NDDB;

(b) if so, what are the reasons therefor; and

(c) whether STC auctions the same to private parties ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) : According to an agreement signed with the Government of United States of America on the 28th May, 1992 for import of Crude Degummed Soyabean Oil gifted by Government of United States of America under P.L. 480, Title III Programme, State Trading Corporation (STC) is the consignee and the monetising agency of the oil. Under the agreement the oil can be sold only through an open competitive auction. Accordingly, the STC has been selling the oil by inviting bids from the vanaspati industry and processors/refiners holding valid registered users' licence.

Reduction of Excise Duty on Aluminium

3432. SHRI KAMAL MORARKA : Will the Minister of FINANCE be pleased to state :

(a) whether Aluminium industry has urged Government to reduce the excise duty on aluminium and to bring it down to a reasonable level;

(b) if so, what are the details thereof and what is Government's reaction thereon;

(c) whether any decision has been taken in this regard; and

(d) if so, what are the dtails ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (d) The Aluminium Association of India had represented for fixing a uniform rate of excise duty on aluminium and its articles falling under Chapter 76 of the Central Excise Tariff at a reasonable level. Prior to 28-2-1993 these had duty rates ranging from 23% to 40.25%. With effect from 28-2-1993, as part of the proposals for 1993-94 Budget, the rates have been replaced by a uniform rate of 25%. The details are as in Notification No. 48/93-Central Excises, dated the 28th February, 1993.